

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, CA 95814



July 18, 1988

ALL-COUNTY LETTER NO. 88-81

TO: ALL COUNTY WELFARE DIRECTORS

SUBJECT: THE BUDGET ACT OF 1988/89 COST-OF-LIVING ADJUSTMENTS (COLAS), IMPLEMENTATION OF AB 3547/88, INDIVIDUAL PROVIDER MINIMUM WAGE INCREASE AND CONTRACT MODE HOURLY RATE INCREASES THAT AFFECT IN-HOME SUPPORTIVE SERVICES (IHSS) PAYMENT LEVELS

This letter provides you with information effective July 1, 1988, regarding 1) revised IHSS payment levels which will be adjusted to reflect the COLAs in the 1988/89 Budget Act and implementation of AB 3547, 2) the Individual Provider Minimum Hourly Rate Increase and 3) Contract Mode Hourly Rate Increases.

The individual provider minimum wage increase impact on IHSS recipients had a potential of reducing hours of service to those persons most in need - recipients who were receiving the maximum amount of service hours that could be purchased by the IHSS payment maximums. To minimize service reductions, AB 3547/88 has been signed by the Governor.

This bill provides a different concept of IHSS payment maximums - establishing hourly maximums for recipients served solely by the individual provider mode. Recipients served in modes of delivery other than the individual provider mode shall be limited in the maximum number of service hours per month to the appropriate statutory maximum hours times the statewide wage rate per hour for the individual provider mode as calculated by the department (\$4.25) and by dividing this product by the hourly cost of the mode of service to be provided.

This new methodology will be in effect until July 1, 1990. During that time a special task force will be evaluating the validity of using hourly maximums versus payment maximums and/or whether to continue the methodology that has herein been introduced.

1. Payment maximums are changed as follows:

- o Payment maximums for the individual provider mode -

	<u>From</u>	<u>To</u>
- Severely Impaired	\$1,051.00	283 Hours (W&IC 12303.4).
- Non-Severely Impaired	\$ 726.00	195 Hours (W&IC 12303.4).
- Restaurant Meal Allowance	\$ 60.00	\$62.00 (MPP 30-757.134(a)(1)).

- o Payment maximums for contract, homemaker and mixed modes (including individual provider). Hours are converted to dollars/cents for ease of computations -

	<u>From</u>	<u>To</u>
- Severely Impaired	\$1,051.00	\$1,202.75 (\$4.25 x 283 hours) (W&IC 12303.4).
- Non-Severely Impaired	\$ 726.00	\$ 828.75 (\$4.25 x 195 hours) (W&IC 12303.4).
- Restaurant Meal Allowance	\$ 60.00	\$ 62.00 (MPP 30-757.134(a)(1)).

2. Individual provider minimum wage increases to \$4.25 per hour.

3. Contract mode hourly rate increases vary by county.

Case Management Information And Payrolling System (CMIPS) Procedures:

Procedures will be implemented to automate the changes made due to the above as soon as possible. We expect all automation will be completed by July 17, 1988. CMIPS will automatically adjust cases impacted by these fiscal changes. No updates should be done manually prior to this automation.

CMIPS automation will occur in the following sequence:

- o Restaurant meal allowances.
- o Scheduled changes in contract provider mode hourly service rates effective July 1, 1988. (This automation partially completed June 23, 1988).
- o Individual provider minimum wage increase.
- o Unmet need decreases and increases.

Each of these steps is discussed below:

A. Restaurant Meal Allowance:

1. All eligible recipients will automatically receive an increase in their restaurant meal allowance warrants. For the month of July 1988 only the full increase will be included in the second monthly warrant.
2. A Turnaround Document (TAD) SOC 293 will be generated which will reflect the increase in Fields M2 (Beginning Date) and M4 (Gross Amount).
3. The TAD SOC 293 will have an identifying message on the top which will read:

"STATE COLA/RATE INCREASE."

4. An automated Notice of Action (NOA) will be generated to the recipient with message number 342:

"Your Restaurant Meal Allowance is increased due to an increase to the State maximum. MPP 30-757.134."

This number will be printed in Field R (NOA Message) on the TAD.

5. NOAs will be printed at the printer sites by on-line Counties; NOAs for batch Counties will be printed by Electronic Data Systems (EDS) and mailed to the recipient and County, as appropriate. All TADs will be printed by EDS and mailed to the County.

B. Scheduled Changes in Contract Provider Mode Hourly Service Rates:

1. All Counties that have scheduled changes in the annual hourly service rate effective July 1, 1988, will have computations completed and TAD SOC 293s generated which will reflect changes in Fields L1 or L2 (Mode/Rate/Hours) and M2 (Beginning Date) and M4 (Gross Amount) if in the contract provider delivery mode.

2. The TAD SOC 293 will have an identifying message on the top which will read:

"STATE COLA/RATE INCREASE."

3. All TADs will be printed by EDS and mailed to the County.

C. Individual Provider Hourly Wage Increase:

1. All individual providers (IP) paid at least a County base rate but less than \$4.25 per hour will have an hourly wage increase automatically computed and TADs SOC 293 and SOC 311 generated which will reflect changes in Fields L1 or L2 (Mode/Rate/Hours), M2 (Beginning Date) and M4 (Gross Amount).

2. The TADs SOC 293 and SOC 311 will have an identifying message on the top which will read:

"STATE COLA/RATE INCREASE."

3. All TADs will be printed by EDS and mailed to the County.

D. Unmet Need Cases That Are Impacted by Increased Hourly Rate and Benefit Levels- One Delivery Mode - Individual Provider:

1. Those cases with an unmet need that are served by only one delivery mode will have services automatically changed to reflect correct adjustments of Services Authorized to be Purchased.
2. A TAD SOC 293 will be generated which will reflect the adjustments in Fields L1 (Mode/Rate/Hours), M2 (Beginning Date), M4 (Gross Amount), M5 (Hours), AA-YY (Assessment Grid: Authorized To Be Purchased and Unmet Need columns) and aa 1 through 7 (Monthly Hours Authorized).

3. An automated NOA will be generated to the recipient with message number 386, 387, 388, 389, 390 or 391:

- 386 "The State maximum number of IHSS hours of _____ decreases the number of your authorized hours to _____. Therefore, you have an Unmet Need of _____ service hours. W&IC 12303.4."
- 387 "The State maximum number of IHSS hours is _____. Therefore, you have an Unmet Need of _____ service hours. W&IC 12303.4."
- 388 "Your Unmet Need for IHSS is decreased because the State maximum number of IHSS hours is _____. Your Unmet Need is now _____ service hours. W&IC 12303.4."
- 389 "You no longer have an Unmet Need for IHSS because the State maximum number of IHSS hours of _____ will cover your authorized need for service. W&IC 12303.4."
- 390 "Your authorized services have increased to _____ hours because the State maximum number of IHSS hours is _____. W&IC 12303.4."
- 391 "Your authorized services have decreased to _____ hours because the State maximum number of IHSS hours is _____. W&IC 12303.4."

This number will be printed in Field R (NOA Message) on the TAD.

4. Those cases that are adversely affected will have an effective date of August 1, 1988. This will provide time for a timely Notice of Action.
5. Those cases that have eligibility extended so that a timely Notice of Action can be sent will have a special eligibility payment segment built for July 1, 1988, through July 31, 1988 only. That segment will be Line N on the SOC 293. Line M eligibility payment segment will commence with August 1, 1988.
6. No on-line changes can be made for those cases with a special July 1988 eligibility payment segment except for Leaves (L) and Terminations (T). Any other changes that will affect Line N must be resolved on a one-to-one basis through consultation with SDSS/EDS.
7. All adverse Notices of Action that are a result of this automation effort will be printed by EDS and mailed to the recipient and County, as appropriate. A copy of the attached letter of explanation will be enclosed with the Notice of Action.
8. All other NOAs will be printed at the printer sites by on-line Counties. Batch Counties will have documents printed by EDS and mailed to the recipient and County, as appropriate.

9. For all IP served cases with a one recipient/one provider relationship indicated on the SOC 311 Field E3 (# of Prov.), or if there is only one provider of record who has the same number of hours authorized as the recipient, a TAD SOC 311 will be generated which will reflect the adjustments in Fields F2 (Beginning Date), F4 (Hours) and F6 (Rate).
10. For all other non one-to-one providers, the SOC 311 must be manually updated with the appropriate entries in Fields F2 (Beginning Date), F4 (Hours) and F6 (Rate). These cases will be identified on an exception listing which will be mailed to each County by the middle of July 1988.
11. Advance pay recipients will receive their increase on their August 1, 1988, warrant. A CMIPS automated supplemental July 1988 warrant will represent the unmet need decrease and/or minimum wage increase (if appropriate) to be paid to their providers for July 1988.

E. Unmet Need Cases That Are Impacted by Increased Hourly Rate and Benefit Levels- One Delivery Mode - Contract or Homemaker Provider:

1. Those cases with an unmet need that are served by only one delivery mode will have services automatically changed to reflect correct adjustments of Services Authorized to be Purchased.
2. A TAD SOC 293 will be generated which will reflect the adjustments in Fields L1 (Mode/Rate/Hours), M2 (Beginning Date), M4 (Gross Amount), M5 (Hours), AA-YY (Assessment Grid: Authorized To Be Purchased and Unmet Need columns) and aa 1 through 7 (Monthly Hours Authorized).
3. An automated NOA will be generated to the recipient with message number 380, 381, 382 or 383:
 - 380 "An increase in service provider cost increases your authorized IHSS cost beyond the State payment maximum of \$_____. Therefore, you have an unmet need of _____service hours. W&IC 12303.4."
 - 381 "The cost of your IHSS authorized hours exceeds the State payment maximum of \$_____. Therefore, you have an unmet need of _____service hours. W&IC 12303.4."
 - 382 "Your unmet need for IHSS is decreased because the State payment maximum has been increased to \$_____. Your unmet need is now _____service hours. W&IC 12303.4."
 - 383 "You no longer have an unmet need for IHSS because the increased state payment maximum of \$_____ will cover the cost of your authorized need for service. W&IC 12303.4."

This number will be printed in Field R (NOA Message) on the TAD.

4. Those cases that are adversely affected will have an effective date of August 1, 1988. This will provide time for a timely Notice of Action.
5. Those cases that have eligibility extended so that a timely Notice of Action can be sent will have a special eligibility payment segment built for July 1, 1988, through July 31, 1988 only. That segment will be Line N on the SOC 293. Line M eligibility payment segment will commence with August 1, 1988.
6. No on-line changes can be made for those cases with a special July 1988 eligibility payment segment except for Leaves (L) and Terminations (T). Any other changes that will affect Line N must be resolved on a one-to-one basis through consultation with SDSS/EDS.
7. All adverse Notices of Action that are a result of this automation effort will be printed by EDS and mailed to the recipient and County, as appropriate.
8. All other NOAs will be printed at the printer sites by on-line Counties. Batch Counties will have documents printed by EDS and mailed to the recipient and County, as appropriate.

F. Unmet Need Cases That Are Impacted By Increased Hourly Rate and Benefit Levels- More Than One Delivery Mode -Including Individual Provider if a Mixed Mode with a Contract or Homemaker Mode:

1. Those cases with an unmet need that are served by more than one delivery mode will be listed on a COLA exception list (as will those other cases that fail to meet the criteria for automation). The social services worker will be responsible for entering the hours of one of the service delivery modes in Field L1 or L2 (Mode/Rate/Hours) and a beginning date in Field ZZ 3 (Beginning Date).
2. A TAD SOC 293 will then be generated which will reflect the adjustments in Field L1 and L2 (Mode/Rate/Hours), M4 (Gross Amount), M5 (Hours), AA-YY (Assessment Grid: Authorized To Be Purchased and Unmet Need column), and aa 1 through 7 (Monthly Hours Authorized).
3. The TAD SOC 293 will have no identifying message on top of the form. The action will be treated as a reassessment change.
4. An automated NOA will be generated to the recipient with message number 380, 381, 382 or 383 and that number will be printed in Field R (NOA Message) on the TAD.
5. For all IP served cases the steps under D9 and D10 will be the same.
6. All TADs and NOAs will be printed at the printer sites by on-line Counties; batch Counties will have documents printed by EDS and mailed to the recipient and County, as appropriate.

G. Protective Supervision Cases:

1. All cases receiving protective supervision services requiring review will also be listed on an exception list.
2. Protective supervision cases that are affected by payment due to increased hourly rate or payment levels must be adjusted by the social service worker. Changes should be made to:
 - o "Alternative Resources" on the Field WW (Protective Services) line so CMIPS can properly compute "Authorized to be Purchased."
 - o Field ZZ3 (Beginning Date).
3. A TAD SOC 293 will be generated but it will not have a special identifier on the top of the form. The action will be treated as a reassessment change.
4. For all IP served cases the steps as described under D9 and D10 will be the same.
5. An NOA will be generated with message numbers 371 and 374 or 375:
 - 371 "Alternative resources available to you for protective supervision have been reduced. MPP 30-763.3."
 - 374 "Alternative Resources available to you for AA-YY, AA-YY, AA-YY, AA-YY have been increased. MPP 30-763.3."
 - 375 "You have been found in need of additional hours of service. MPP 30-763.2."
6. All TADs and NOAs will be printed at the printer sites by on-line Counties; batch Counties will have documents printed by EDS and mailed to the recipient and County, as appropriate.

H. IHSS Cases With An Overdue Assessment:

1. Any case with a TAD SOC 293 Ending Date in Field ZZ4 of June 30, 1988, or earlier, cannot be automated. Those cases will be identified on the COLA exception list. The social service worker must complete a reassessment and enter a new date in Field ZZ4 (Ending Date).
2. CMIPS can then recalculate the case file and generate both a correct TAD and NOA.
3. The TAD SOC 293 will have no identifying message on top of the form. The action will be treated as a reassessment change.
4. An automated NOA will be generated to the recipient with message number 371, 374, 375, 380, 381, 382, 383, 386, 387, 388, 389, 390 or 391 and that number will be printed in the Field R (NOA Message) on the TAD SOC 293.

I. All Other Cases:


1. All other cases that cannot be resolved through the procedures listed above must be resolved on a one-to-one basis through consultation with SDSS/EDS. Those cases will be identified on the COLA exception lists.

J. General:

1. On the TAD SOC 293 the Field ZZ3 (Beginning Date) will change to July 1, 1988, or August 1, 1988, as appropriate, on all automated documents to reflect the proper effective date of change. This will also be reflected in Field M2 (Beginning Date). If other changes are made for authorized periods prior to July 1, 1988, re-enter the effective Beginning Date (Field ZZ3) so segments will be properly updated.
2. Multiple changes will be reflected on a single TAD. TADs with multiple changes will have an identifying message on the top which will read:

"STATE COLA/RATE INCREASE."
3. We expect that all TADs and NOAs will be in the counties by the fourth week in July and encourage filing of the documents as soon as possible in your case records. Once you have the exception lists, please initiate appropriate action.
4. All excepted cases will be on exception lists and will also have an indicator (\$) printed by the recipient name on the subsequent Monthly Caseload Listings and Office Caseload Listings.

Questions regarding CMIPS procedures should be addressed to Roberta Christensen at (916) 323-6341. Questions regarding program issues should be addressed to your Adult and Family Services Operations Consultant at (916) 445-0623.


LOREN D. SUTER
Deputy Director
Adult and Family Services

Attachment

cc: CWDA

DEPARTMENT OF SOCIAL SERVICES

NOTICE TO SELECTED IHSS RECIPIENTS
REGARDING THE MINIMUM WAGE INCREASE

The Statewide minimum wage increase effective July 1, 1988 would have resulted in most IHSS recipients receiving a decrease in their service hours. The Seniors Program - California Rural Legal Assistance Foundation, California Coalition of Independent Living Centers, the Governor, State Legislators and the Department of Social Services strongly supported a bill authored by Assembly Member Hannigan (AB 3547) which permits the majority of IHSS recipients to fully maintain their current level of service and all recipients to be subject to an increased payment maximum. This legislation was signed by the Governor and is now in effect for the benefit of all IHSS recipients. Without this legislation all recipients at or near the statutory maximum payment levels would have had their services reduced because of the increase in the minimum wage.

To enhance stability and reduce recipient uncertainty the statutory maxima have been changed from dollar limits to hours limits. Due to this change all providers will receive more income, but a small percentage of recipients will receive an hours reduction.

Effective July 1, 1988 your provider will receive an increase in income, but effective August 1, 1988, your hours will be reduced to the new statutory maximum of 195 hours for non-severely impaired recipients or 283 hours for severely impaired recipients. The enclosed Notice of Action more fully explains how this change affects your particular case.